



## WAYS AND MEANS

CHAIRMAN KEVIN BRADY

### **Recent Actions to Lower Out-of-Pocket Costs on Drugs**

#### **Congressional Actions**

Closing the Medicare Part D donut hole sooner and providing new discounts for innovative biosimilars. ([H.R. 1892, Bipartisan Budget Act](#))

Lowering premiums for some by as much as 20 percent and repealing Obamacare provisions that drive up the overall cost of drugs. ([H.R. 1628, the American Health Care Act](#))

Increasing generic competition to drive down the cost of drugs. ([H.R. 2430, the FDA Reauthorization Act](#))

Modernizing the process for over-the-counter drugs to ensure patients have access to affordable therapies. ([H.R. 5333, the Over-the-Counter Monograph Safety, Innovation and Reform Act](#))

Allowing more Americans to use pre-tax dollars for their healthcare expenses, including over-the-counter drugs. ([H.R. 6199, the Restoring Access to Medication and Modernizing Health Savings Accounts Act](#))

#### **Administrative Actions**

The Department of Health and Human Services released a [final regulation](#) to reduce drug costs for seniors enrolled in a Medicare Part D plan. The regulation allows for expedited generic substitution, applies generic cost-sharing to biosimilar and interchangeable biological products for low income Part D enrollees, and eliminates a provision that allowed plans to exclude a dedicated generic tier for the tiering exceptions process. All three of these policies help lower out-of-pocket costs for seniors.

The Administration announced its [Patients First](#) blueprint for lowering prescription drug prices. The plan calls for increasing competition, improving negotiation, incentives for lower list prices, and lowering out-of-pocket costs of prescription drugs.

The Administration proposed in the [physician fee schedule](#) to cut payments for new drugs from wholesale acquisition cost (WAC) + 6 percent down to WAC + 3 percent, decreasing the 20 percent out of pocket cost-sharing that patients are responsible for.

The Administration released its [Biosimilar Action Plan](#). This plan lays out how the Administration intends to accelerate innovation in the biosimilars market.

Recently, the court ruled in favor of the Administration on a 340B [policy change](#) in the 2018 outpatient prospective payment system regulation, which is expected to will help Medicare beneficiaries save on coinsurance on Part B drugs administered at hospitals that participate in the 340B program by reducing the amount Medicare pays for those drugs. When utilized correctly, the 340B program allows hospitals caring for under-served and low-income populations to buy drugs at a lower cost in exchange. As a result of the Administration's 340B policy change last year, beneficiaries are saving an estimated \$320 million on out-of-pocket payments for these drugs in 2018 alone.

The Food and Drug Administration's (FDA) [2017 generic drug approvals](#) contributed to prescription drug buyers saving \$8.8 billion. These savings were driven in part by the FDA hitting a record high of generic drug approvals last year.

The 2019 Part D [Explanation of Benefits](#) model will now allow plans to include information on drug price increases and more affordable formulary alternatives. The Administration is also including information for Part D beneficiaries on how to access the updated [CMS Drug Pricing Dashboards](#).